

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other				Local Unit Name Tri-Township Ambulance Service		County Montmorency	
Fiscal Year End 12/31/05		Opinion Date 6/27/07		Date Audit Report Submitted to State 6/29/07			

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
- ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
- ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
- ☒ ☐ The local unit has adopted a budget for all required funds.
- ☒ ☐ A public hearing on the budget was held in accordance with State statute.
- ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
- ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
- ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
- ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
- ☒ ☐ The local unit is free of repeated comments from previous years.
- ☒ ☐ The audit opinion is UNQUALIFIED.
- ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
- ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
- ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations		<input type="checkbox"/>	None needed	
Other (Describe)		<input type="checkbox"/>	Not applicable	
Certified Public Accountant (Firm Name) Robertson & Carpenter CPAs, P.C.			Telephone Number 989-826-5442	
Street Address P.O. Box 308			City Mio	State MI
			Zip 48647	
Authorizing CPA Signature		Printed Name Robert J. Carpenter		License Number 1101008247

**Tri-Township Ambulance Service  
Montmorency County, Michigan  
Financial Report  
With Supplemental Information  
December 31, 2005**

# Tri-Township Ambulance Service

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Robert J. Carpenter, CPA  
Rodney C. Robertson, CPA

## ROBERTSON & CARPENTER CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 308 • 109 E. Tenth St. • Mio, Michigan 48647

Phone (989) 826-5442 • Fax (989) 826-3038

*Other office: Rose City, Michigan*

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
[Tri-Township Ambulance Service](#)  
Atlanta, Michigan 49709

We have audited the accompanying financial statements of the governmental activities and the major fund of the Tri-Township Ambulance Service as of and for the year ended December 31, 2005, which collectively comprise the Tri-Township Ambulance Service's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tri-Township Ambulance Service's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Tri-Township Ambulance Service as of December 31, 2005, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on page 2 through page 6 and page 16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise Tri-Township Ambulance Service's basic financial statements. The items identified as other supplemental information in the table of contents are not a required part of the basic financial statements of Tri-Township Ambulance Service. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Robertson & Carpenter CPA's P.C.  
Certified Public Accountants  
June 27, 2007

## Management's Discussion and Analysis

As management of the Tri-Twp Ambulance Service (the "Ambulance Service"), we offer readers of the Ambulance Service's financial statements this narrative overview and analysis of the financial activities of the Ambulance Service for the year ended December 31, 2005.

### Financial Highlights

- The assets of the Ambulance Service exceeded its liabilities at the close of the most recent fiscal year by \$431,103 (*net assets*). Of this amount, \$130,855 (*unrestricted net assets*) may be used to meet the Ambulance Service's ongoing obligations.
- The Ambulance Service's total net assets increased by \$58,163.
- As of the close of the current fiscal year, the Ambulance Service's general fund, the only governmental fund, reported an ending fund balance of \$130,855, a decrease of \$20,109 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$130,855 or 28% percent of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Ambulance Service's basic financial statements. The Ambulance Service's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *Government-wide financial statements* are designed to provide readers with a broad overview of the Ambulance Service's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Ambulance Service's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Ambulance Service is improving or deteriorating.

The *statement of activities* presents information showing how the Ambulance Service's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the Government-wide financial statements present functions of the Ambulance Service that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of the Ambulance Service consist of health and welfare (ambulance services). The Ambulance Service does not have any business-type activities as of and for the year ended December 31, 2005.

The Government-wide financial statements can be found on pages 7-8 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ambulance Service, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Ambulance Service consist of one category: governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Ambulance Service's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Ambulance Service maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Ambulance Service adopts an annual appropriated budget for its general fund. Budgetary comparison statements or schedules have been provided for the General Fund herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 9-10 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Ambulance Service, assets exceeded its liabilities by \$431,103 at the close of the most recent fiscal year.

A portion of the Ambulance Service's net assets (70%) reflects its investment in capital assets (e.g., land, land improvements, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The Ambulance Service uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

### Ambulance Service's Net Assets

	<b>Governmental</b>	<b>Activities</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2005</b>	<b>2004</b>
Current and Other Assets	\$ 130,855	\$ 150,964
Capital Assets, Net	300,248	221,976
Total Assets	<u>431,103</u>	<u>372,940</u>
Current Liabilities	-0-	-0-
Noncurrent Liabilities	-0-	-0-
Total Liabilities	<u>-0-</u>	<u>-0-</u>
Net Assets:		
Invested in Capital Assets	300,248	221,976
Unrestricted	<u>130,855</u>	<u>150,964</u>
Total Net Assets	<b>\$ 431,103</b>	<b>\$ 372,940</b>

The Ambulance Service's net assets increased by \$58,163 during the current fiscal year. Unrestricted net assets—the part of net assets that can be used to finance day to day operations, decreased by \$20,109 or 13%, during fiscal year 2005.

## Ambulance Service's Changes in Net Assets

	<u>Governmental</u> <u>December 31,</u> <u>2005</u>	<u>Activities</u> <u>December 31,</u> <u>2004</u>
<b>Revenue:</b>		
Program Revenue:		
Charges for Services	\$ 299,721	\$ 181,292
Operating Grants and Contributions	-0-	-0-
Capital Grants and Contributions	-0-	-0-
General Revenue:		
Intergovernmental	126,297	122,487
Interest Earnings	5,169	2,087
Other	18,107	16,944
<b>Total Revenue</b>	<b>449,294</b>	<b>322,810</b>
<b>Expenses:</b>		
Health and Welfare	391,131	327,618
<b>Total Expenses</b>	<b>391,131</b>	<b>327,618</b>
<b>Increase (Decrease) in Net Assets</b>	<b>58,163</b>	<b>(4,808)</b>
Net Assets, Beginning of Year	372,940	377,748
<b>Net Assets, End of Year</b>	<b>\$ 431,103</b>	<b>\$ 372,940</b>

**Governmental activities.** The Ambulance Service's total governmental revenues increased by \$126,484 from last fiscal year. This was primarily attributed to an increase in charges for services. Expenses increased by \$63,513. The increase was primarily due to increased ambulance run related costs. (fuel, payroll, payroll taxes, and billing services)

### Financial Analysis of the Government's Funds

As noted earlier, the Ambulance Service uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of the end of the current fiscal year, the Ambulance Service's governmental fund reported an ending fund balance of \$130,855, a decrease of \$20,109 in comparison with the prior year. The *unreserved fund balance*, which is available for spending at the Ambulance Service's discretion, constitutes 100% of this total amount.

The only governmental fund is the General Fund of the Ambulance Service. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance and total fund balance represent 28% and 28%, respectively, of total general fund expenditures.



## General Fund Budgetary Highlights

The Ambulance Service's budgets are prepared in accordance with Michigan Law. The only budgeted fund is the General Fund. The General Fund budget was amended in a legally permissible manner during the year.

## Capital Asset and Debt Administration

**Capital assets.** The Ambulance Service's investment in capital assets for its governmental activities as of December 31, 2005, amounted to \$300,248 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, equipment and vehicles. Additions totaled \$103,474 for the year and included a new ambulance.

<b>Ambulance Service's Capital Assets</b>			
(net of depreciation)			
	<b>December 31,</b>		<b>December 31,</b>
	<b><u>2005</u></b>		<b><u>2004</u></b>
Land	\$ 5,000	\$	5,000
Land improvements	8,087		8,514
Buildings	72,678		72,469
Equipment	23,476		14,563
Vehicles	191,007		121,430
	<hr/>		<hr/>
<b>Total</b>	<b>\$ 300,248</b>	<b>\$</b>	<b>221,976</b>

Additional information on the Ambulance Service's capital assets can be found in note 4 on page 15 of this report.

## Factors Bearing on the Ambulance Service's Future

The following factors were considered in preparing the Ambulance Service's budget for the year ending December 31, 2006:

- The 2006 revenue budget anticipates a significant increase in charges for service as the Ambulance Service has contracted to expand its service area. The expenditure budget reflects a corresponding increase in operating expenses necessary to provide the increase in services. Our budgets were prepared with these factors in mind and will need to be revised as needed.

## Requests for Information

This financial report is designed to provide a general overview of the Ambulance Service's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Tri-Twp Ambulance Service  
P.O. Box 275  
Atlanta, MI 49709

## **Basic Financial Statements**

Tri-Township Ambulance Service  
Statement of Net Assets  
December 31, 2005

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents (Note 3)	\$ 130,855
Capital assets-net (Note 4)	<u>300,248</u>
Total assets	<u>431,103</u>
 <b>Liabilities</b>	
Current Liabilities	
Accounts payable	<u>-</u>
Total current liabilities	<u>-</u>
 <b>Net Assets</b>	
Invested in capital assets	300,248
Unrestricted	<u>130,855</u>
Total net assets	\$ <u><u>431,103</u></u>

See accompanying notes

Tri-Township Ambulance Service  
Statement of Activities  
Year Ended December 31, 2005

Functions/Programs	Program Revenues				Governmental Activities
	Expenses	Charges for Services	Operating Grants	Capital Grants	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities					
Public safety	\$ 391,131	\$ 299,721	\$ -	\$ -	\$ (91,410)
Total governmental activities	<u>\$ 391,131</u>	<u>\$ 299,721</u>	<u>\$ -</u>	<u>\$ -</u>	(91,410)
General Revenues:					
Intergovernmental					126,297
Interest earnings					5,169
Other					<u>18,107</u>
Total general revenues					<u>149,573</u>
<b>Change in Net Assets</b>					58,163
<b>Net assets</b> - beginning of year					<u>372,940</u>
<b>Net assets</b> - end of year					<u>\$ 431,103</u>
<b>Amounts reported for governmental activities are different because:</b>					
<b>Net Change in Fund Balances - Total Governmental Funds</b>					\$ (20,109)
Government funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation.					
	Depreciation expense		\$ (25,202)		
	Capital Outlay		<u>103,474</u>		
					<u>78,272</u>
<b>Change in Net Assets of Governmental Activities</b>					<u>\$ 58,163</u>

See accompanying notes

Tri-Township Ambulance Service  
Governmental Funds  
Balance Sheet  
December 31, 2005

	<u>General Fund</u>
<b>Assets</b>	
Cash and investments	\$ <u>130,855</u>
Total assets	\$ <u><u>130,855</u></u>
<b>Liabilities</b>	
Accounts payable	\$ <u>-</u>
Total liabilities	<u>-</u>
<b>Fund balances</b>	
Unreserved:	
General Fund	<u>130,855</u>
Total fund balances	<u><u>130,855</u></u>
Total liabilities and fund balances	\$ <u><u>130,855</u></u>
 <b>Fund Balances - Total Governmental Funds</b>	 \$ 130,855
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial financial resources, and are not reported in the funds.	
The cost of capital assets is	\$ 518,617
Accumulated depreciation is	<u>(218,369)</u>
	300,248
 <b>Net Assets of Governmental Activities</b>	 \$ <u><u>431,103</u></u>

See accompanying notes

Tri-Township Ambulance Service  
Governmental Funds  
Statement of Revenues and Other Financing Sources,  
Expenditures and Changes in Fund Balances  
Year Ended December 31, 2005

	<u>General Fund</u>
<b>Revenues</b>	
Intergovernmental	\$ 126,297
Charges for services	299,721
Interest earnings	5,169
Donations	7,240
Other	<u>10,867</u>
Total revenues	<u>449,294</u>
<b>Expenditures</b>	
Current:	
Health and welfare	365,929
Capital outlay	<u>103,474</u>
Total expenditures	<u>469,403</u>
<b>Excess of revenues over (under) expenditures</b>	(20,109)
<b>Fund balances</b> - Beginning of year	<u>150,964</u>
<b>Fund balances</b> - End of year	<u><u>\$ 130,855</u></u>

See accompanying notes

Tri-Township Ambulance Service  
Notes to Financial Statements  
December 31, 2005

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Tri-Township Ambulance Service ("the Ambulance Service") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies used by the Ambulance Service  
:

**Reporting Entity**

The Tri-Township Ambulance Service is a joint area organization that provides ambulance services . The Board serves three governmental units - Avery Township, Briley Township, and Loud Township.

The Ambulance Service Board consists of six members, one elected official from each Township Board and one resident from each Township.

The pro-rata share of financing costs as provided by the by the interlocal agreement is based on the taxable valuation (per the Montmorency County Equalization Department) of each township.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the Fire Department's reporting entity, and which organizations are legally separate, component units of the Fire Department. Based on the application criteria, the Ambulance Service does not contain any component units.

**Government-wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Fire Board. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Ambulance Service's government-wide activities are considered governmental activities. The Ambulance Service does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a certain function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Ambulance Service considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Annual contributions from member units and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when the cash is received by the Ambulance Service.

The Ambulance Service reports the following major governmental fund:

The General Fund is the Ambulance Service's primary operating fund. It accounts for all financial resources of the Ambulance Service, except those required to be accounted for in another fund.

Amounts reported as program revenue include: (1) charges to customers for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions. General revenue includes interest earnings and other revenues.

**Assets, Liabilities, and Net Assets or Equity**

**Bank Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables** - All trade receivables are shown net of an allowance for uncollectible amounts, if any.

**Capital Assets** - Capital assets, which include land, buildings, equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Ambulance Service as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.



Tri-Township Ambulance Service  
Notes to Financial Statements  
December 31, 2005

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Buildings, machinery and equipment and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	20 years
Machinery and equipment	5 -15 years
Vehicles	5 -15 years

**Compensated Absences** - There is no liability for compensated absences reported in the government-wide financial statements since no Ambulance Service employees are provided with sick or vacation pay benefits.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriating or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The Ambulance Service has not designated any fund equity as of December 31, 2005.

**Comparative Data/Reclassifications** - Comparative data is not included in the Ambulance's financial statements.

**Note 2 - Stewardship, Compliance and Accountability**

**Budgetary information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state laws for the general fund. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function/ The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the line item level. State law requires the Ambulance Service to adopt its budget by January 1. The budget was also reviewed by the township units of government as required by the joint operating agreement. State law permits the Ambulance Service to amend its budget during the year. During the year, the budget was amended in a legally permissible manner.

The Ambulance Service incurred expenditures in excess of appropriations during the year ended December 31, 2005 as follows:

<u>Fund and Function</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General:			
Health and Welfare			
Administration - Office supplies	\$ -	\$ 174	\$ 174
Station - Station mileage	300	361	61
Vehicles - maintenance	12,000	12,159	159

Tri-Township Ambulance Service  
Notes to Financial Statements  
December 31, 2005

**Note 3 - Deposits and Investments**

Michigan Compiled Laws, Section 129.91 authorizes the Ambulance Service to make deposits and investments in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Fire Department is also allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Ambulance Service has designated one financial institution for the deposit of Ambulance Service funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments in bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Tri-Township Ambulance Service's deposits and investment policy are in accordance with statutory authority.

At year end, the Tri-Township Ambulance Service's deposits and investments were reported in the basic financial statements in the following categories:

	Carrying Amounts
Cash and cash equivalents	\$ 55,174
Investments - certificates of deposit	75,681
Total	<u>\$ 130,855</u>

The breakdown between deposits and investments for the Ambulance is as follows:

Deposits (Checking and savings accounts)	\$ 55,174
Certificates of deposit	75,681
Total	<u>\$ 130,855</u>

The deposits of the Ambulance Service were reflected in the accounts of one financial institution, of which \$130,855 is covered by federal depository insurance.

Tri-Township Ambulance Service  
Notes to Financial Statements  
December 31, 2005

**Note 4 - Capital Assets**

Capital assets activity of the Ambulance Service's Governmental activities were as follows:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Capital assets not depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital assets being depreciated:				
Land improvements	8,550	-	-	8,550
Buildings	74,431	2,096	-	76,527
Equipment	31,338	11,651	-	42,989
Vehicles	295,824	89,727	-	385,551
Subtotal	<u>410,143</u>	<u>103,474</u>	<u>-</u>	<u>513,617</u>
Accumulated Depreciation				
Land improvements	36	427	-	463
Buildings	1,962	1,887	-	3,849
Equipment	16,775	2,738	-	19,513
Vehicles	174,394	20,150	-	194,544
Subtotal	<u>193,167</u>	<u>25,202</u>	<u>-</u>	<u>218,369</u>
Net capital assets being depreciated	<u>216,976</u>	<u>78,272</u>	<u>-</u>	<u>295,248</u>
Governmental Activities				
Total Capital Assets net of Depreciation	<u>\$ 221,976</u>	<u>\$ 78,272</u>	<u>\$ -</u>	<u>\$ 300,248</u>

Depreciation expense was charged to programs of the Ambulance Service as follows:

Governmental activities:	
Health and welfare	\$ <u>25,202</u>
Total governmental activities	\$ <u>25,202</u>

**Note 5 - Risk Management**

The Tri-Township Ambulance Service is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased from independent insurance companies. Settled claims from these risks have not exceeded insurance coverage for the last three years.

## **Required Supplemental Information**

Tri-Township Ambulance Service  
 Budgetary Comparison Schedule - General Fund  
 Year Ended December 31, 2005

	Budgeted Amounts			Variance with
	Original Budget	Amended Budget	Actual	Amended Budget
<b>Fund Balance - Beginning of year</b>	\$ 150,973	\$ 150,973	\$ 150,964	\$ (9)
<b>Resources (Inflows)</b>				
Intergovernmental	127,523	126,297	126,297	-
Charges for services	180,000	297,000	299,721	2,721
Interest earnings	1,000	4,771	5,169	398
Donations	-	5,510	7,240	1,730
Other	1,000	10,504	10,867	363
Amounts available for appropriation	<u>460,496</u>	<u>595,055</u>	<u>600,258</u>	<u>5,203</u>
<b>Charges to Appropriations (Outflows)</b>				
Current				
Health and welfare				
Administration	24,600	34,677	34,326	(351)
Attendants	233,798	263,067	258,081	(4,986)
Station	31,420	38,951	36,083	(2,868)
Vehicles	22,200	38,200	37,439	(761)
Total	<u>312,018</u>	<u>374,895</u>	<u>365,929</u>	<u>(8,966)</u>
Capital Outlay	<u>5,000</u>	<u>104,534</u>	<u>103,474</u>	<u>(1,060)</u>
Total charges to appropriations	<u>317,018</u>	<u>479,429</u>	<u>469,403</u>	<u>(18,992)</u>
<b>Fund Balance - end of year</b>	<u>\$ 143,478</u>	<u>\$ 115,626</u>	<u>\$ 130,855</u>	<u>\$ 24,195</u>

## **Supplemental Information**

Tri-Township Ambulance Service  
General Fund  
Detail of Revenues - Budget and Actual  
Year Ended December 31, 2005

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental:			
Avery Township	\$ 23,321	\$ 23,321	\$ -
Briley Township	59,572	59,572	-
Loud Township	13,338	13,338	-
Vienna Township	30,066	30,066	-
Total Intergovernmental	<u>126,297</u>	<u>126,297</u>	<u>-</u>
Charges for services:			
Patient pay	235,000	233,971	(1,029)
Patient pay - ALS intercepts	62,000	65,750	3,750
Total Charges for Services	<u>297,000</u>	<u>299,721</u>	<u>2,721</u>
Interest earnings	4,771	5,169	398
Donations	5,510	7,240	1,730
Other	10,504	10,867	363
Total Revenues	<u>\$ 444,082</u>	<u>\$ 449,294</u>	<u>\$ 5,212</u>

Tri-Township Ambulance Service  
General Fund  
Detail of Expenditures - Budget and Actual  
Year Ended December 31, 2005

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Current:			
Health and Welfare:			
Administration:			
Office supplies	\$ -	\$ 174	\$ (174)
Postage	750	713	37
Mileage	200	185	15
Accumulated billing	22,508	22,508	-
Award seminar	900	612	288
Salaries	8,600	8,600	-
Reimbursement	1,169	1,169	-
Miscellaneous	550	365	185
Total Administration	<u>34,677</u>	<u>34,326</u>	<u>351</u>
Attendants:			
Education - small equipment	1,000	241	759
Education - expenses	6,872	6,872	-
Accident insurance	1,760	1,760	-
Workmen's compensation insurance	13,244	13,244	-
License	50	50	-
Medical	1,141	1,141	-
Attendants wages	210,000	207,470	2,530
Director wages	8,000	8,000	-
Payroll taxes	17,000	16,897	103
Uniforms	2,500	960	1,540
Miscellaneous	1,500	1,446	54
Total Attendants Expense	<u>263,067</u>	<u>258,081</u>	<u>4,986</u>



Tri-Township Ambulance Service  
General Fund  
Detail of Expenditures - Budget and Actual  
Year Ended December 31, 2005

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Current:			
Health and Welfare: (continued)			
Station:			
Electric	\$	\$ 1,700	\$
Gas		2,258	
Maintenance		1,781	
Supplies		980	
TV & internet service		210	
Water		240	
Total new station expense	8,000	7,169	831
Medical equip. maintenance agreement		1,572	
Equipment maintenance agreement		1,608	
Equipment - small items		2,760	
Total equipment	6,090	5,940	150
Insurance	5,812	5,812	-
Medical supplies	4,500	4,081	419
OSHA department	100	-	100
Oxygen	500	389	111
Tank rental	720	720	-
Radio - batteries	500	231	269
Radio contract - Link System	611	501	110
Radio contract - Mobiles & Pagers	318	318	-
Radio repair	2,000	1,985	15
Rent - Loud Township	1,000	1,000	-
Rent - Vienna Township	3,000	3,000	-
Station office	2,000	1,582	418
Station telephone	1,500	1,347	153
Cellular phone	2,000	1,647	353
Station mileage	300	361	(61)
Total Station Expense	38,951	36,083	2,868
Vehicles:			
Fuel	15,000	14,996	4
Insurance	11,000	10,084	916
Licenses	200	200	-
Maintenance	12,000	12,159	(159)
Total Vehicles	38,200	37,439	761
Total Health and Welfare	374,895	365,929	8,966
Capital Outlay			
Equipment	11,807	11,651	156
Vehicle	89,727	89,727	-
Land & building	3,000	2,096	904
Total Capital Outlay	104,534	103,474	1,060
Total Expenditures	\$ 479,429	\$ 469,403	\$ 10,026